

FANTASIA
花樣年

Fantasia Holdings Group Co., Limited
花樣年控股集團有限公司

Stock code: 1777

2011 Interim Results Presentation

August 2011

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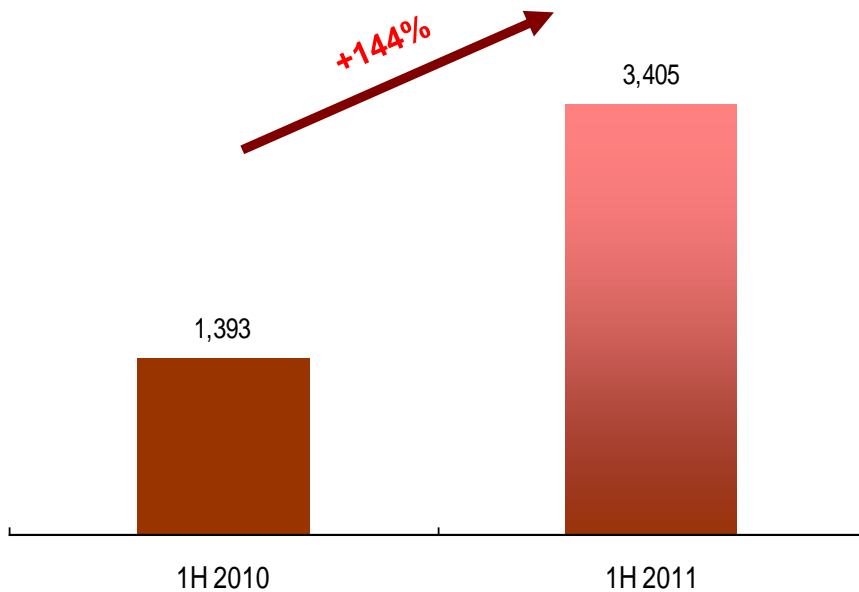
Section

1. **1H 2011 Results Overview**
 2. 1H 2011 Business Review
 3. Market Outlook and Corporate Strategy
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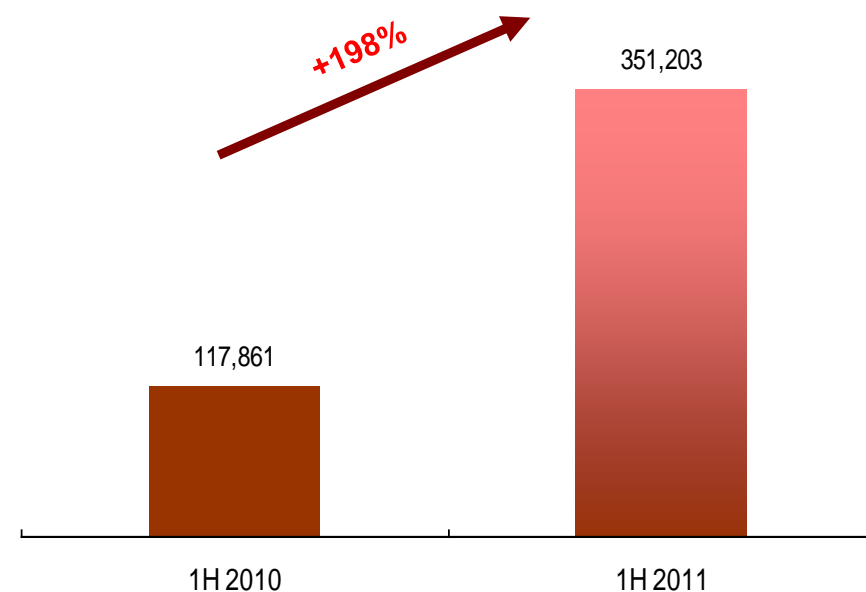
Strong Growth in Contract Sales

- Contract sales and the contract sales area for 1H 2011 recorded YoY growth of 144% and 198% respectively;
- Cumulated contract sales for the first seven months in 2011 reached RMB 3.96 billion, exceeding the total contract sales of 2010.

Contract Sales
(RMB mn)



Contract Sales Area
(sq.m)



Sustainable Profitability

■ Steady growth in profitability

- Gross profit margin: 52.5%, a YoY increase of 2.8pts;
- Net profit margin: 25.0%, a YoY increase of 3.5pts;
- Net profit margin from core business: 22.0%, a YoY increase of 6.1pts ;
- EPS: RMB0.10, a YoY increase of 25.0%.

■ Robust financial position

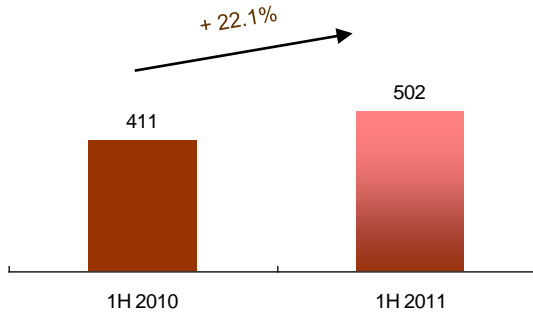
- Cash on hand: RMB1.82 billion;
- Net Gearing Ratio: 74.5%, maintaining at a reasonable industry level;
- Locked-in 2011 revenue: RMB 4.63 billion.

Steady Growth in Profitability

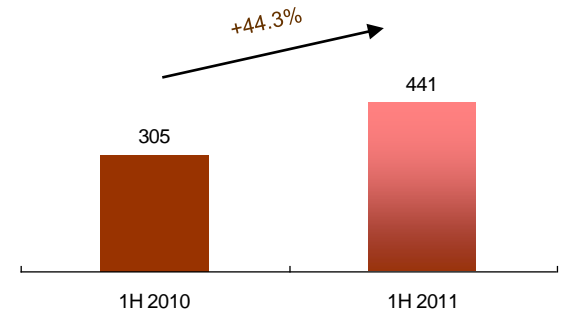
RMB mn	June 30		Change%
	2010	2011	
Revenue	1,918	2,005	4.6%
Gross Profit	952	1,053	10.6%
EBITDA ⁽¹⁾	782	851	8.8%
Net Profit from core business ⁽¹⁾	305	441	44.3%
Net profit	411	502	22.1%
EPS(RMB)	0.08	0.10	25.0%
Gross Profit margin	49.7%	52.5%	2.8pts
EBITDA ⁽¹⁾ margin	40.8%	42.5%	1.7pts
Net profit margin	21.5%	25.0%	3.5pts

(RMB mn)

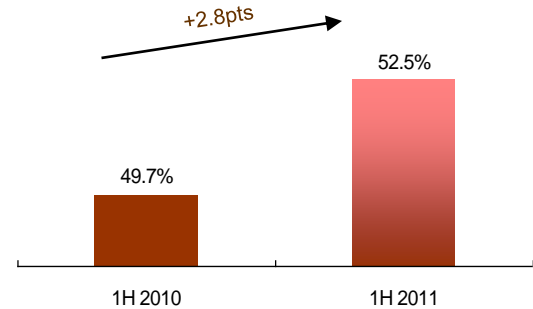
Net profit



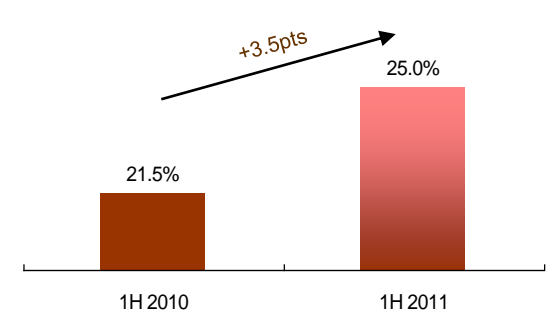
Net profit from core business



Gross profit margin



Net profit margin



(1) Excluding profit attributed to revaluation of investment prosperities

Robust Financial Position

RMB mn	31 Dec 2010	30 Jun 2011	Change %
Cash ⁽¹⁾	2,457	1,820	(25.9)%
Non restricted cash	2,371	1,255	(47.1)%
Total assets	15,382	16,829	9.4%
Short-term debt	2,132	2,188	2.6%
Long-term debt	3,430	3,483	1.5%
Total debt	5,562	5,671	1.9%
Shareholders' equity	4,502	5,170	14.8%
Net gearing ratio	69.0%	74.5%	5.5pts

(1) Including bank balance and cash and restricted bank deposit

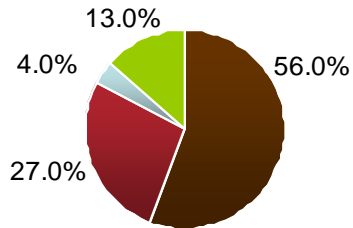
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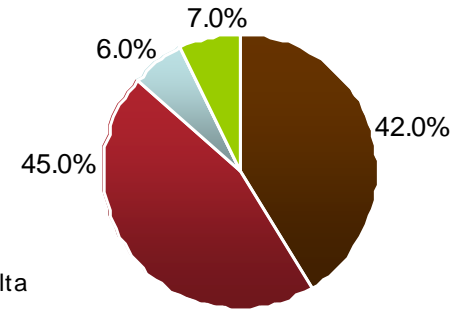
Increasingly Diversified Revenue and Enhanced Sales Contribution from Multi-regions

Contract sales breakdown: by region

1H 2010



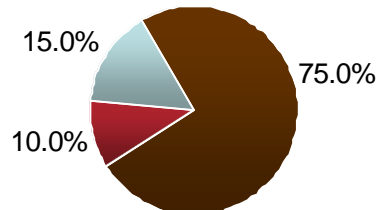
1H 2011



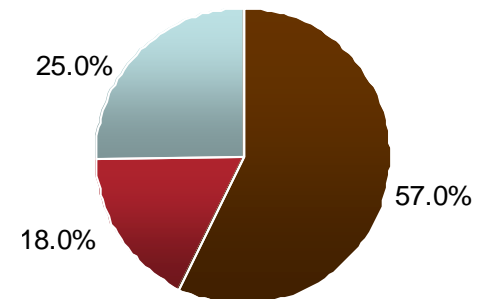
- Chengdu-Chongqing
- The Pearl River Delta
- The Yangtze River Delta
- Beijing-Tianjin

Contract sales breakdown: by product

1H 2010



1H 2011



- Urban Complexes
- Boutique Upscale Residences
- Mid-to-high End Residences

Effective Project Planning and Execution

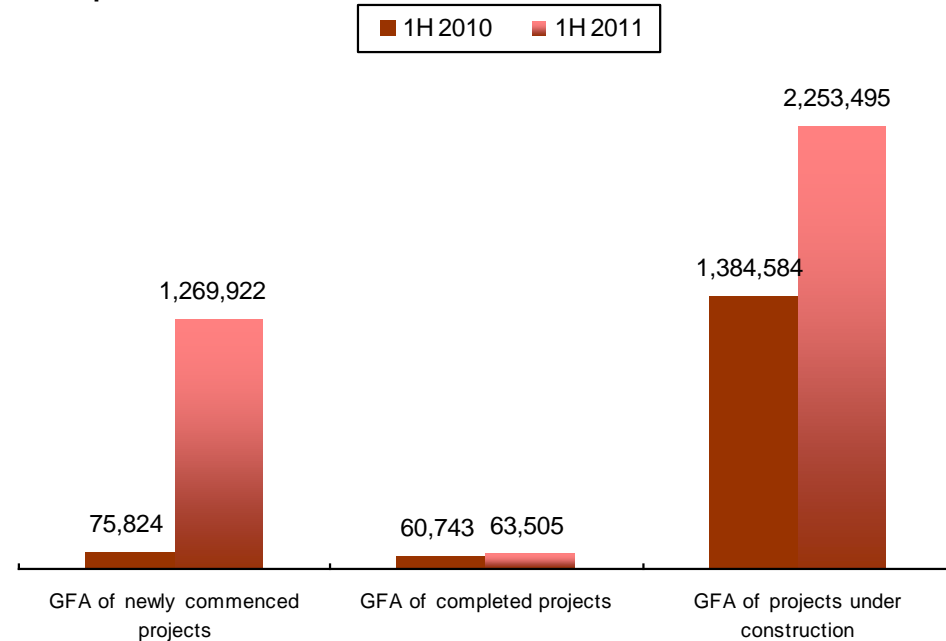
1H 2011 Newly Commenced Projects

City	Project	Product Category	GFA (sq.m)
Dongguan	Wonderland	Boutique Upscale	160,139
Guilin	Fantasia Town	Urban Complex	440,931
Chengdu	Fantasia Town	Mid-to-high End	181,559
	Funina Plaza	Urban Complex	180,168
Dali	Human Art Wisdom	Mid-to-high End	77,301
Suzhou	Lago Paradise	Boutique Upscale	79,951
Wuxi	Love Forever	Boutique Upscale	94,793
Tianjin	Future Plaza	Urban Complex	55,080
Total			1,269,922

1H 2011 Completed Projects

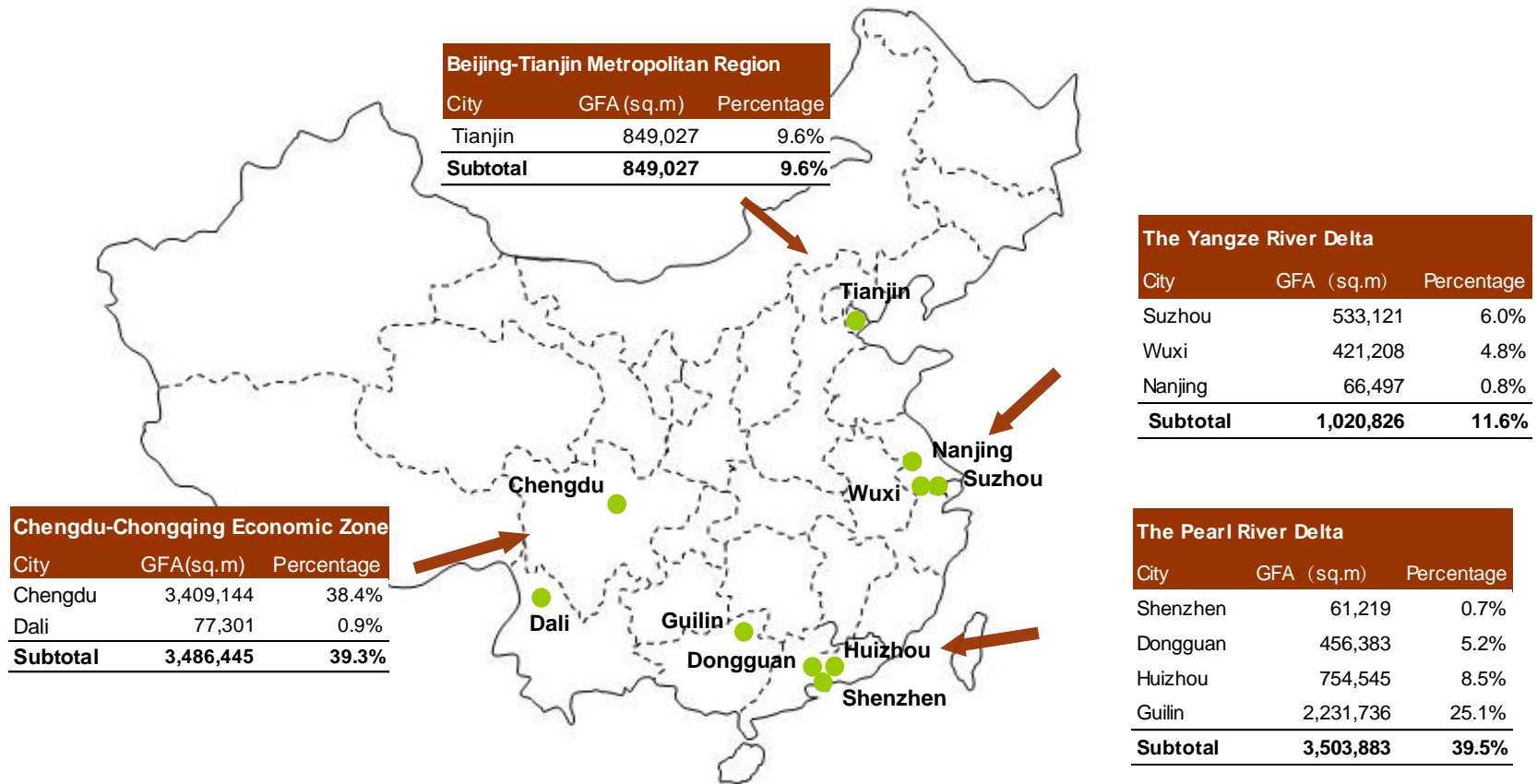
City	Project	Product Category	GFA (sq.m)
Shenzhen	Love Forever Phase 2	Mid-to-high End	63,505
Total			63,505

unit: sq.m



High Quality Land Bank: prudent investment and cautious operations

Land bank spanning four major regions and 10 core cities of high strategic importance



High Quality and Low Cost Land Bank

Land bank with use right

City	Project	GFA (sq.m)	Product Category	Avg.Cost (RMB/sqm)
Shenzhen	Funian Plaza	61,219	Urban Complex	2,418
Huizhou	Love Forever	168,545	Mid-to-high End	312
	Fantasia Town	586,000	Mid-to-high End	423
Chengdu	Future Plaza	243,839	Urban Complex	645
	Grand Valley	1,556,986	Boutique Upscale	281
	Mont Conquerant	296,384	Boutique Upscale	823
	Fantasia Town	483,762	Mid-to-high End	81
	Meinian Int'l Plaza	648,005	Urban Complex	669
	Funian Plaza	180,168	Urban Complex	555
Tianjin	Hailrun Plaza	83,289	Urban Complex	1,730
	Yingcheng Lake Project	168,339	Urban Complex	766
	Future Plaza	55,080	Urban Complex	2,180
Donguan	Wuqing Project	542,319	Boutique Upscale	1,183
	Mont Conquerant	122,983	Boutique Upscale	1,532
Guilin	Wonderland	333,400	Boutique Upscale	923
	Gaohua Project	2,231,736	Boutique Upscale / Urban Complex	393
Suzhou	Lago Paradise	533,121	Boutique Upscale	1,522
Wuxi	Love Forever	338,080	Boutique Upscale	1,523
	Hailrun Complex	83,128	Urban Complex	842
Nanjing	Yuhuatai District Project	66,497	Urban Complex	4,337
Dali	Human Art Wisdom	77,301	Mid-to-high End	674
Total		8,860,181		678

Land bank with framework agreement

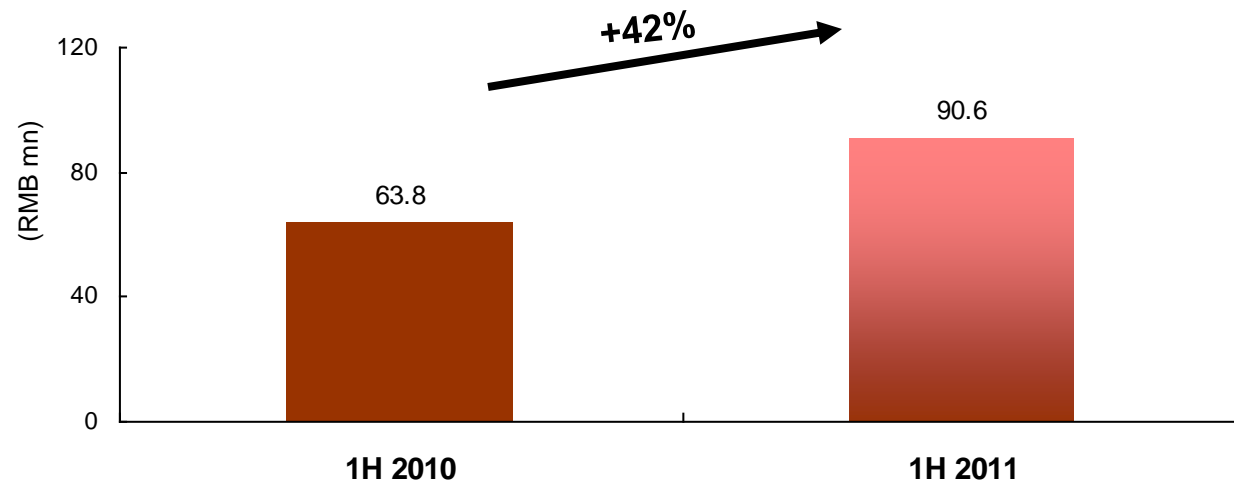
City	Project	GFA (sq.m)	Product Category	Interest
Chengdu	Pixian Project	3,917,332	Urban Complex	100%
Dali	Yunnan Project	996,531	Boutique Upscale	100%
Suzhou	Taihu Hotel	49,246	Hotel	100%
Total		4,963,109		

Total Land Bank: 13.82 million sq.m
Attributable Land Bank: 13.79 million sq.m

Continuous Expansion of Property Services and Business Operating Capacity

In 1H 2011, our other business such as property operation and hotel services also achieved sustainable growth.

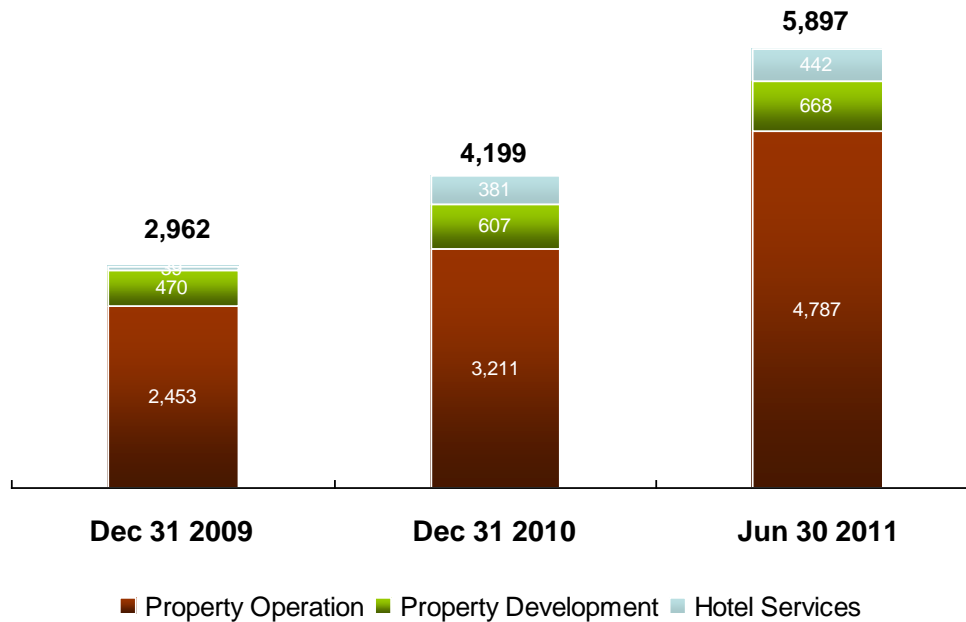
Revenue from non-property development businesses



Continuous Growth of Team Scale

The growth of team scale is in line with business expansion

Number of Total Employees



Business Segment	2009 Dec 31	2010 Dec 31	2011 Jun 30
Property Development	470	607	668
Property Operation	2,453	3,211	4,787
Hotel Services	39	381	442
Total	2,962	4,199	5,897

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Market Outlook - 2H 2011

- The US economy is expected to remain sluggish with its sovereign credit rating being downgraded for the first time in the 70 years. Meanwhile the development of the European economy will still be shadowed by the debt crisis, whereas the emerging markets led by China will face the increasing pressure of inflation.
- The People's Bank of China has increased the depository reserve ratio and the interest rate for multiple times during the year. As a result, we believe that further measures will be introduced to suppress inflation. In the mid-term, it is expected the implementation of austerity measures in the real estate market will sustain.
- As the demand for residential properties are restricted by the austerity measures, the demand for non-residential properties will continuously have a structural growth advantage.
- The government emphasized the development of 10 million units of social security housing, so that the launch of such social security housing to the market may pose threats to the general residential market.
- With the peak of housing supply and the continuous suppression by the austerity measures, real estate developers will encounter greater sales pressure.

Corporate Strategy - 2H 2011

- We will continue to maintain a flexible and proactive strategy to boost sales, and to strive to achieve or exceed the planned annual contract sales target.
- We will continue to prudently acquire premium land parcels at competitive prices, to reasonably expand the scale of the land bank, and to capture opportunities to enter into one to three core cities.
- We will adhere to the project construction schedule in order to lay a solid foundation for the sustainable growth in 2012.
- We will actively explore the business model of housing for senior citizens and continuously develop diversified property services and operation capacity such as commercial property development, boutique hotel services, property services and cultural tourism etc.

2011 Target

	2011 Target	Achieved in 1H 2011	Achieved Ratio in 1H 2011
Contract sales (RMB mn)	6,000	3,405	57%
GFA of newly commenced projects ('000 sq.m)	1,400	1,270	91%
GFA of completed projects ('000 sq.m)	650	64	* 10%
GFA of available for sale projects ('000 sq.m)	1,500	950	63%

* Most of the projects plan to be completed in 2H 2011.

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Appendix I: Contract Sales in 1H 2011

City	Project	GFA Sold (sq.m)	Contract sales ('000 RMB)	ASP (RMB/sq.m)
Shenzhen	Meinian Int'l Complex	24,709	658,580	26,654
	Love Forever	11,033	246,140	22,309
Chengdu	Fantasia Town	79,615	354,068	4,447
	Meinian Int'l Plaza	58,491	486,213	8,313
	Future Plaza	30,049	341,851	11,376
	Funian Plaza	10,054	124,107	12,344
	Grand Valley	6,473	50,280	7,768
	Mont Conquerant	2,869	26,568	9,260
	Others	6,681	29,599	4,430
Dongguan	Mont Conquerant	24,198	219,245	9,060
	Wonderland	9,428	83,847	8,893
Huizhou	Fantasia Special Town	42,678	234,600	5,497
Guilin	Fantasia Town	8,879	93,145	10,490
Suzhou	Lago Paradise	9,462	118,087	12,481
Wuxi	Love Forever	8,618	84,464	9,800
	Town on the Water	965	11,311	11,719
Tianjin	Hailrun Plaza	13,120	189,488	14,442
	Future Plaza	3,881	53,221	13,713
Total		351,203	3,404,814	9,695

Appendix II: Planned Newly Commenced Projects in 2H 2011

City	Project	Product Category	GFA (sq.m)
Huizhou	Fantasia Special Town Phase 2	Mid-to-high End Residence	155,000
	Love Forever	Mid-to-high End Residence	140,000
Total			295,000

Appendix III: Planned Completed Projects in 2H 2011

City	Project	Product Category	GFA (sq.m)
Dongguan	Mont Conquerant	Boutique Upscale Residence	123,000
Huizhou	Fantasia Special Town Phase 1	Mid-to-high End Residence	72,400
Chengdu	Meinian Int'l Plaza Phase1.3	Urban Complex	198,000
	Fantasia Town Phase 2	Mid-to-high End Residence	105,500
Tianjin	Hailrun Plaza Phase 2	Urban Complex	83,300
Suzhou	Lago Paradise	Boutique Upscale Residence	12,000
Total			594,200